

MINUTES
JOINT SAND CITY COUNCIL AND SUCCESSOR AGENCY
OF THE FORMER REDEVELOPMENT AGENCY

Regular Meeting – July 5, 2016
5:30 P.M.
CITY COUNCIL CHAMBERS

Mayor Pendergrass opened the meeting at 5:30 P.M.

The invocation was led by Reverend Ron Mason.

The Pledge of Allegiance was led by Police Chief Brian Ferrante.

Present: Council Member Blackwelder
Council Member Carbone
Council Member Hubler
Council Member Kruper
Mayor Pendergrass

Staff: Todd Bodem, City Administrator
Jim Heisinger, City Attorney
Leon Gomez, City Engineer
Brian Ferrante, Police Chief
Connie Horca, Deputy City Clerk
Charles Pooler, Associate Planner

AGENDA ITEM 4, COMMUNICATIONS

A. Written communication distributed was a handout for Public Hearing Item 7A to Condition No. K.2.

B. Oral

5:32 P.M. Floor opened for Public Comment.

There was no comment from the Public.

5:32 P.M. Floor closed to Public Comment.

AGENDA ITEM 5, CONSENT CALENDAR

The Consent Agenda consists of routine items for which City Council approval can be taken with a single motion and vote. A Council member may request that any item be placed on the Regular Agenda for separate consideration.

- A. There was no discussion of the June 21, 2016 Council Meeting Minutes.
- B. There was no discussion of the City/Successor Agency Monthly Financial Report, May, 2016.
- C. There was no discussion of the City **RESOLUTION** Recognizing ITN *Monterey County* and Executive Director Aimee Cuda for Providing Quality Services for Senior Citizens throughout the Community.
- D. There was no discussion of the Designation of Voting Delegate and Alternate for the 2016 League of California Cities Annual Conference.
- E. There was no discussion of the City **RESOLUTION** approving Time Extensions to October 31, 2016 of Multiple Conditional Use Permits (CUPs 450, 503, 508, 527, 532, 540, 541, 576, 578, 588, 589, 590 & 594) and Coastal Development Permit 14-01 to Continue as Interim Uses at their Respective Locations within the South of Tioga Area.
- F. There was no discussion of the City Donation/Contribution to the Panetta Institute for Public Policy for \$500.

Motion to approve the Consent Calendar was made by Council Member Kruper, seconded by Council Member Blackwelder. AYES: Council Members Blackwelder, Carbone, Hubler, Kruper, Pendergrass. NOES: None. ABSENT: None. ABSTAIN: None. Motion carried.

AGENDA ITEM 6, CONSIDERATION OF ITEMS PULLED FROM CONSENT CALENDAR

There were no items pulled from the Consent Calendar.

AGENDA ITEM 7, PUBLIC HEARINGS

- A. **Consideration of City RESOLUTION to approve Conditional Use Permit 601 (Inclusive of Site Plan and Design Review) for the Development of a Mixed-Use Project at 414 Orange Avenue**

Associate Planner Charles Pooler presented an application submitted by Jerry Stepanek and David Martin to develop an 8,000 square foot 2-story mixed-use development at 414 Orange Avenue. The project proposes one residential and one commercial unit. The applicant intends to continue carpentry operations in the commercial space upon project completion. The residential unit will be on the upper level with 3 bedrooms, 3.5 baths, an open deck, and a combined living room and kitchen area. A tandem parking garage and storage will be located below the residential unit, and the ground floor will be utilized for manufacturing activities. The upper level will provide a 'break room', storage area, 'finish' area, and a restroom. A recording of a deed restriction should be required, stating that

the one residential unit cannot be subdivided or subleased as multiple dwelling units. Conditional Use Permit (CUP) 476 was issued to the applicant in 2006 for his carpentry use. All but one condition of CUP 476 can remain in effect and unchanged for the Applicant's continued operation within the new building. Staff recommends Condition No. 4 of CUP 476 be amended to allow the Applicant to continue operation in the new building upon its completion, and remain in compliance with CUP 476. The project provides a total of nine (9) parking spaces, two (2) for the residential dwelling and a minimum of seven (7) off- street parking for a manufacturing use. The project design does satisfy the minimum parking requirements for the commercial space. A deed restriction should be recorded with the Monterey County Recorder's Office identifying the assigned parking so future property owners are made aware of the parking arrangement. The project does not provide landscaping on the property, and irrigation and maintenance for landscaping should be required of the Applicant. A stormwater control plan is required subject to the City Engineer's review and approval. As a condition of permit approval, all existing lots of the subject property should be merged into a single lot/parcel. An allocation of .391 acre-feet from the City's Water Entitlement is necessary to facilitate the Project. Calculations and estimates of water allocation are subject to MPWMD staff's final determination. The Design Review Committee (DRC) held a meeting on June 17, 2016 to consider the project's architectural design, and DRC comments are reflected in the draft permit. Under the new zoning regulations, the design and site permit plan requirements are incorporated into a single CUP for City Council action. Staff recommends approval of the conditional use permit in accordance with the DRC's and Staff's recommended terms/conditions.

There was Council discussion regarding the number of bathrooms for the residential unit and why the applicant is requesting 3.5 baths, whether separate electrical panels would be provided for the commercial and residential uses, setbacks with the building to the east, and if there will be some form of protection for the adjacent buildings while the project is under construction.

5:45 P.M. Floor opened for Public Comment.

The applicant Jerry Stepanek commented that he would like to construct something that is esthetically pleasing to the City. He hired architect David Martin to assist in the building's renovation, and has spoken to his neighbor on how to mitigate any impacts during construction. He addressed concerns regarding the bathrooms indicating that there would be a master bath, and one for each of the tenant's two children. The second floor tub (bathroom) will be utilized by employees who need to clean up after a job before going home. The finish room and lift will be used to transport cabinets that need to be completed and free from dust that accumulates at the lower level manufacturing location.

The Council provided their comments to suggest reducing the number of bathrooms to two (2), discussed the differences in water allocation between a commercial use and residential unit bathrooms, water use between a tub and/or shower, and combining the two bathrooms into one (1).

Sand City resident, Loshan Anderle expressed his concerns with the 3 foot gap between the buildings and the construction of the new Project in which he may lose 2'4" of space. He contacted Mr. Stepanek regarding the Project, and Mr. Stepanek indicated that the wall of his building would be sealed to defray the cost of continued maintenance. Mr. Anderle commented on other concerns that includes obtaining Fire Department approval, the space between the buildings, and the three (3) foot wall.

6:05 P.M. Floor closed to Public Comment.

Mr. Pooler commented that the Project does have to go through an official plan check and provided additional information regarding the installation of fire sprinklers for the building.

Council Member Kruper requested that the item be tabled, moved to a future meeting, and that the applicant present modified plans that would combine the two (2) bathrooms into one. The Council decided to consider the item as presented. There was Council consensus to amend the use permit to incorporate language to Condition K.4 to limit the residential construction to two (2) bathrooms and a powder room. City Attorney Jim Heisigner read the resolution to approve the conditional use permit as presented with the following changes: 1) Condition K.2 reads "The Applicant shall establish construction fencing, at a height no taller than eight feet (8'), along the property line of the easterly abutting property during construction of the Project to ensure security of this neighboring property." 2) Condition K.4 to add the sentence "The Project's residential unit is limited to no more than two and a half (2.5) bathrooms."

In response to the Mayor's inquiry whether Mr. Stepanek was in agreement with the proposed amendments to the conditional use permit, Mr. Stepanek replied that he was in agreement with permit conditions.

Motion to adopt the City **Resolution** by title, as amended approving Conditional Use Permit 601 (Inclusive of Site Plan and Design Review) for the Development of a Mixed-Use Project at 414 Orange Avenue was made by Council Member Carbone, seconded by Council Member Kruper. AYES: Council Members Blackwelder, Carbone, Hubler, Kruper, Pendergrass. NOES: None. ABSENT: None. Motion carried.

B. Consideration of City RESOLUTION to approve Conditional Use Permit 602 (Inclusive of Site Plan and Design Review) for the Development of a Commercial Project at 756 California Avenue

Associate Planner Charles Pooler presented an application submitted by Pier Garneri to develop a metal frame commercial warehouse at 756 California Avenue. The applicant proposed to develop a 1 story, 2 unit metal frame commercial warehouse on an approximate 10,864 square foot property that will be used as a construction office. Future use(s) will be subject to future and separate use permit/land entitlement approval(s). The property provides ten off-street parking stalls which meets the parking requirements for the proposed use. A 2-way drive aisle for vehicular traffic should be no less than twenty-four feet wide; therefore, the Applicant's site plan needs to be modified so that the drive aisle is 24-feet or more with a 4-foot clearance between the drive aisle and the building. The Project proposes minimal landscaping and Staff recommends modification to incorporate additional landscaping. The exterior elevations will consist of vertical metal panels with stone veneer along the base and roll-up doors. Staff recommends adding treatment to the west elevation to break up the long flat wall surface. The Project is subject to the new stormwater control regulation; therefore, a stormwater control plan is required and subject to the City Engineer's review and approval. The property consists of four lots within 2 parcels and should be merged into a single lot/parcel as a condition of permit approval. The new proposed commercial use will need an estimated .494 acre-feet from the City's Water Entitlement and will be subject to the Monterey Peninsula Water Management District (MPWMD's) staff's final determination prior to issuance of a water permit. At the June 17, 2016 Design Review Committee (DRC) meeting, there was consensus of the DRC to support staff's recommended site and building modifications. Staff recommends approval of the attached conditional use permit authorizing the development of a commercial building on the subject property.

6:29 P.M. Floor opened for Public Comment.

The applicant's son Domenico Garneri commented that he and his father would like to make improvements to the property. He addressed concerns regarding bathrooms and indicated that there will be one in each unit. San Juan Pools may occupy one unit of the building. The Mayor asked Mr. Garneri if he was in agreement with the conditional use permit. Mr. Garneri replied that he was in agreement with permit conditions.

6:32 P.M. Floor closed to Public Comment.

Motion to adopt the City **Resolution**, by title to approve Conditional Use Permit 602 (Inclusive of Site Plan and Design Review) for the Development of a Commercial Project at 756 California Avenue was made by Council Member Kruper, seconded by Council Member Hubler. AYES: Council Members Blackwelder, Carbone, Hubler, Kruper, Pendergrass. NOES: None. ABSENT: None. ABSTAIN: None. Motion carried.

C. Consideration of City RESOLUTION Approving Conditional Use Permit 603 Authorizing a Window and Door Showroom and Sales Use at 801-A California Avenue

Associate Planner Charles Pooler presented an application submitted by Taylor Young to operate a high-end window and door showroom within a 3,000 square foot commercial unit at 801-A California Avenue. The Applicant intends to use the site as a showroom to display and sell products with accessory office and inventory storage. There will be no on-site manufacturing and all products will be shipped in. Intended hours of operation will be 8:00 a.m. to 5:00 p.m., Monday through Friday. The subject property provides eight on-site regulation sized parking spaces and is adequate for the proposed use. Inventory deliveries to the site will be made once per week via a trailer truck. Staff recommends the permit prohibit large truck/trailer deliveries to the site and parking within the California Avenue right-of-way. On-site water credit is adequate to facilitate the proposed use. There will be no impervious material on the property; therefore, stormwater control regulations do not apply to this application. Staff recommends approval of the attached conditional use permit.

6:36 P.M. Floor opened for Public Comment.

The applicant Taylor Young commented that he and his brother have been doing business since 1986 with their father whose current operation is based in Salinas. They are excited to do business in Sand City. The primary concern is loading/unloading of product. They are not a large distributor and deliveries would be conducted once a week. He addressed issues with traffic and indicated that the truck would be parked along the curb for loading/unloading, and any street providing adequate space for loading/unloading will be used for the activity to offset traffic impacts.

Associate Planner Pooler confirmed that the way the permit is written, allows for a flatbed truck to conduct loading/unloading activities, but does not permit an 18 wheeler truck. Mr. Young provided additional information regarding business activities out of Salinas for the Council. The primary need to have a location based in Sand City is for occasions when product needs to be held until it is shipped to the job site.

The Mayor asked the applicant if he accepted the conditions of the use permit. Mr. Young responded that he was in agreement with permit conditions.

Salvation Army Captain Paul Swain thanked the Council for allowing the Salvation Army to conduct business in Sand City, and also commended the Police Department for their exceptional work. He added that he is looking forward to the partnership with Mr. Young, whose business would provide additional revenue to the Salvation Army. He expressed his appreciation to the Council for allowing the Salvation Army to meet the needs of the homeless and down-trodden within Sand City. This ministry continues to serve many various needs of the community.

6:43 P.M. Floor closed to Public Comment.

Motion to approve the City **Resolution** by title, approving Conditional Use Permit 603 authorizing a Window and Door Showroom and Sales Use at 801-A California Avenue was made by Council Member Carbone, seconded by Council Member Kruper. AYES: Council Members Blackwelder, Carbone, Hubler, Kruper, Pendergrass. NOES: None. ABSENT: None. ABSTAIN: None. Motion carried.

AGENDA ITEM 8, OLD BUSINESS

A. Progress report on Public Works projects, Successor Agency Oversight Board, South of Tioga project, Coastal projects, and other Sand City community programs by City Engineer/Community Development Director/City Administrator

City Engineer Leon Gomez reported that the desalination plant produced 20.1 acre feet of water for the month of June and has been operable to date. The Monterey Stormwater Management Program sponsored an Integrated Pest Management workshop on Thursday, June 23rd at the City of Monterey, and was attended by Sand City's Public Works Foreman Harvey Drone. The City Engineer performed "Hot Spot Investigations" (HIS) of City owned and operated facilities to assess these facilities for their potential to significantly contribute runoff and/or pollutants to the storm drain system. Assessment will be reviewed by Staff to determine where improvements to municipal operations can be made. A draft agreement for Stormwater Control measures for the Porsche Site improvements have been forwarded to TAMC Staff for their review. The recent improvement plan and cost estimate for the 700 Dias Street Improvements have been reviewed by the Public Safety Committee. Staff will be reviewing construction work performed by the property owner, who is a licensed contractor in order to gauge his ability to construct a portion of the project's improvements. The Public Safety Committee advised Staff that construction of the Hickory Street Improvement Project should not occur prior to, or during the Annual West End Celebration. A draft follow up letter has been submitted to the City Attorney for his review.

City Administrator Todd Bodem reported that as of July 1, the desalination plant has produced 5 acre feet. On February 7, 8 & 9 the Monterey Bay Area Managers is hosting the City Manager's Group here and plans to conduct several activities. A desalination plant tour may be scheduled.

AGENDA ITEM 9, NEW BUSINESS

A. Consideration of City RESOLUTION Approving an Agreement with the California Public Employees' Retirement System (CALPERS) Establishing a California Employers' Retiree Benefit Trust Program (CERBT) and Directing Staff to Obtain Information Necessary to Implement the Agreement

City Administrator Todd Bodem reported that the attached resolution seeks to implement a trust program with CalPERS. Staff will be coming forward with a detailed investment strategy through the California Employers' Retiree Benefit Trust Program (CERBT). This program was highly recommended by Bartel and Associates. He reported on the City's current liability, and the intended purpose of earmarked funds that may be placed in an irrevocable trust program; as the City is contractually obligated through OPEB to honor its retirees and retirement fund obligations. Staff is recommending investment into a diversified portfolio that would earn a higher interest rate to help pay down the liabilities.

City Attorney Jim Heisinger commended City Administrator Bodem and the Budget/Personnel Committee on the good job they performed with the CERBT. Under the new accounting rules, unfunded liabilities need to be reflected. The investment of the earmarked funds would significantly reduce the City's unfunded liability in the City's financial statements. The funds will be held in an irrevocable trust, and the State would be unable to confiscate the funds. Decisions regarding how the funds should be invested and what level of risk the City is willing to take will be coming before the Council at a future date. He referred to page 156 of the Council packet and commented on several investment strategies that are available.

Council Member Blackwelder commented that the Budget/Personnel Committee's choice to invest in Strategy 2, which is depicted as the middle of the CERBT OPEB Fund Investment Strategies on page 156 of the agenda packet.

Motion to approve the City **Resolution** by title, approving an Agreement with the California Public Employees' Retirement System (CALPERS) Establishing a California Employers' Retiree Benefit Trust Program (CERBT) and Directing Staff to Obtain Information Necessary to Implement the Agreement was made by Council Member Blackwelder, seconded by Council Member Kruper. AYES: Council Members Blackwelder, Carbone, Hubler, Kruper, Pendergrass. NOES: None. ABSENT: None. ASTAIN: None. Motion carried.

B. Comments by Council Members on Meeting and Items of Interest to Sand City

Council Member Kruper reported that the Monterey County convention and Visitors Bureau (MCCVB) will resume holding their monthly meeting in August. Topics discussed at the last Public Safety Committee meeting was included in the City Administrators memo.

Council Member Hubler reported that meetings were held with the West End Celebration Coordinator Steve Vagnini and members of the Arts Committee to discuss the upcoming West End Celebration and Juried Art

Show. There have been approximately 60 entries received and the quality of art work submitted was very good. A homage to MTV will also be held at the Carroll Building as well as an 'improv' stage. The tentative schedule will include an opening reception for a photography show at Don Davies property on Thursday evening, a concert at Carmel Stone Imports and Juried Art Show at the Independent on Friday evening, and a Fashion Show on Saturday evening.

Vice Mayor Carbone reported that the Community Human Services (CHS) Annual Luncheon will be held on July 21, 2016. She also reported that she will be stepping down as CHS' Board President.

C. Upcoming Meetings/Events

There were no RSVP's from the Council.

AGENDA ITEM 10, CLOSED SESSION

7:07 P.M.

- A. City Council /Agency Board to adjourn to Closed Session to confer with Legal Counsel regarding pending litigation in accordance with Government Code Section 54956.9(d)(1):**

1) Seaside v. Sand City (King Ventures) (No. M126354)

7:13 P.M.

- B. Re-adjourn to Open Session to report any action taken at the conclusion of Closed Session in accordance with 54957.1 of the Ralph M. Brown Act**

The City Attorney advised the Sand City Council that the judge ruled to dismiss the complaint regarding Seaside v. Sand City (King Ventures), without prejudice.

AGENDA ITEM 11, ADJOURNMENT

Motion to adjourn the meeting was made by Council Member Blackwelder, seconded by Council Member Hubler to the next regularly scheduled Council meeting on July 19, 2016 at 5:30 p.m. There was consensus of the Council to adjourn the meeting at 7:15 p.m.

Connie Horca, Deputy City Clerk

